



STATE OF MICHIGAN
DEPARTMENT OF STATE POLICE
LANSING

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GOVERNOR

COL. JOSEPH M. GASPER
DIRECTOR

April 27, 2021

The Honorable Beau LaFave
Military, Veterans, and Homeland Security Committee
124 North Capitol Avenue
Lansing, Michigan 48909

Dear Chairman LaFave and members of the committee:

Please accept this written testimony as the Michigan Department of State Police's (MSP) opposition to House Bills 4030 and 4498. Together, the bills would reduce a Concealed Pistol License (CPL) application fee from \$100 to \$40 (providing \$20 to the county clerk and \$20 to the MSP) and the CPL renewal fee from \$115 to \$30 (providing \$30 to the county clerk and \$0 to the MSP).

CPL application and renewal fees are utilized to fund the MSP's responsibilities under the Michigan Firearms Act. Since 2015, the MSP has been statutorily required to maintain the CPL database and the online CPL renewal system. The CPL application and renewal fees are utilized to fund the MSP's current responsibilities under the Michigan Firearms Act. The CPL and renewal fees fund personnel, maintenance of the CPL database, publication of CPL forms, the cost to conduct background checks, and support for the integrated systems utilized in the CPL database program.

Below is a breakdown of current CPL application fees, expenses for maintenance of the CPL program and the impact House Bills 4030 and 4498 will have on the MSP.

MSP's CPL responsibilities under the Michigan Firearms Act:

- Maintain the CPL program/database and online renewal system.
- Conduct criminal history checks on all CPL applicants.
- Compile and publish the CPL annual report to the legislature.
- Publish and maintain CPL-related forms.

Current CPL application fees:

- New application: \$100 (\$26 to the county clerk, \$74 to MSP)
- Renewal application: \$115 (\$36 to the county clerk, \$79 to MSP)

MSP expenses for CPL:

- FY 2018: \$3,146,291 (\$2,599,901 + \$546,390 [FBI fingerprints])
- FY 2019: \$2,503,737 (\$1,974,999 + \$528,739 [FBI fingerprints])
- FY 2020: \$3,005,575 (\$2,260,049 + \$745,526 [FBI fingerprints])

HB 4030: amends the Michigan Firearms Act to modify CPL application and renewal fees:

- New application: \$40 (\$20 to the county clerk, \$20 to the MSP)
- Renewal application: \$40 (\$20 to the county clerk, \$20 to the MSP)
- The MSP has the following concerns with HB 4030:

- \$11.25 of every new application is paid to the FBI for applicant fingerprints, leaving the MSP with only \$8.75 per new application to cover MSP's cost for processing the application.
- Between FY 2017 and FY 2020 CPL applications have increased more than 38 percent.
- The MSP began accepting on-line renewal CPL applications in November 2018. Renewal applications are submitted directly to the MSP via the online renewal system without having to apply to the county clerk. With the online renewal system, MSP personnel are responsible for the oversight of application entry, payment processing, conducting the required background checks, and delivers of application receipts. The County clerks are only responsible for the verification of training, residency requirements, and mailing of CPL/notice of disqualification.
- In FY 2019, online renewals comprised 35 percent of all renewals. In FY 2020, online renewals comprised 69 percent of all renewals. For the first half of FY 2021, online renewals comprised 82 percent of all renewals.

HB 4498: amends the Michigan Firearms Act to modify CPL renewal application fees:

- Renewal application: \$30 (\$30 to the county clerk, \$0 to the MSP)
- The MSP has the following concerns with HB 4498:
 - Based on FY 2020 and FY 2019 application and renewal rates, when combined with the proposed application rate decrease in HB 4030, the MSP would be underfunded by more than \$1.5M.
 - Between FY 2017 and FY 2020, CPL applications have increased more than 38 percent.
 - Over the first half of FY 2021, CPL applications have increased more than 61 percent over the first half of FY 2020.
 - Historically, renewal CPL applications encompass 45-65 percent of the applications submitted.
 - The MSP conducts the same amount of work on renewal CPL applications as new CPL applications, but under this bill, would no longer be funded for any work on renewal CPL applications.
 - The MSP began accepting on-line renewal CPL applications in November 2018. Applications are submitted directly to the MSP via the online renewal system without having to apply to the county clerk. With the online renewal system, MSP personnel are responsible for the oversight of application entry, payment processing, conducting the required background checks, and delivery of application receipts. County clerks are only responsible for the verification of training and residency requirements and the mailing of CPL/notice of disqualification.
 - In FY 2019, online renewals comprised 35 percent of all renewals. In FY 2020, online renewals comprised 69 percent of all renewals. For the first half of FY 2021, online renewals comprised 82 percent of all renewals.
 - The MSP began accepting renewal CPL applications by mail in November 2018. These renewals are extremely labor intensive because they require data entry, processing of checks/money orders, return mailing of incomplete applications, and return mailing of application receipts). County clerks, who under this bill would receive \$30 per renewal application, are only responsible for verification of training and residency requirements, and the mailing of CPL/notice of disqualification.